

Ref: MPL / Sectl / BSE & NSE / E-2 & E-3 / 2020  
September 16, 2020

The Manager,  
Listing Department,  
BSE Limited  
Corporate Relationship  
Department  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P J Tower,  
Dalal Street, Fort,  
**Mumbai – 400 001.**  
**Stock Code: 500268**

The Listing Department  
National Stock Exchange of India  
Limited  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (East)  
**Mumbai – 400 051**  
**Stock Code: MANALIPETC**

Dear Sir:

Sub: Annual General Meeting updates

The 34<sup>th</sup> Annual General Meeting of the Company was held today, 16<sup>th</sup> September 2020 through Video Conferencing (VC)/Other Audio Visual Means (OAVM). The meeting was held through the WebEx Platform facilitated by Central Depository Services (India) Limited. The meeting was held in due compliance with the stipulations of the relevant Circulars of the MCA and SEBI.

The meeting was chaired by Mr. Ashwin C Muthiah, Chairman and all the Directors except Dr. K P Karthikeyan, IAS, attended the meeting. Chairpersons of the Audit Committee, Stakeholders Relationship Committee and the Nomination and Remuneration Committee attended the meeting, besides the Statutory Auditors and the Secretarial Auditor.

The meeting commenced at 2:00 PM (IST) and the necessary quorum was present throughout the meeting.

The Chairman welcomed the shareholders and with the consent of the Members present the Notice of the Meeting and the Financial Statements and other Reports were taken as read. The Chairman then addressed the Members (Copy of Chairman's speech enclosed).

The Chairman thereafter proceeded to transact the businesses set out in the Agenda of the meeting. The Members were informed about the e-voting facility made available prior to the meeting to vote on the resolutions and the facility available for those who have not availed the remote e-voting to cast their votes during the meeting, through electronic means.

The following items were transacted as ordinary resolutions at the meeting:

1. Adoption of the Audited Stand Alone and Consolidated Financial Statements and other related Reports for the year 2019-20.
2. Declaration of a dividend for the year 2019-20.

**Factories :**

Plant - 1 : Ponneri High Road, Manali, Chennai - 600 068  
Plant - 2 : Sathangadu Village, Manali, Chennai - 600 068  
Phone : 044 - 2594 1025 Fax : 044 - 2594 1199  
E-mail: [companysecretary@manalipetro.com](mailto:companysecretary@manalipetro.com)

Manali Petrochemicals Limited

3. Re-election of Mr. Thanjavur Kanakaraj Arun (DIN: 02163427), as a Director of the Company liable to retire by rotation.
4. Ratification of the remuneration to the Cost Auditor for the year 2019-20.
5. Appointment of Dr. K P Karthikeyan, IAS (DIN: 08218878), as a Director of the Company under Section 160 of the Companies Act, 2013, liable to retire by rotation.
6. Appointment of Mr. M Karthikeyan (DIN: 08747186), as a Director of the Company under Section 160 of the Companies Act, 2013, liable to retire by rotation.
7. Approval under Regulation 23 of the SEBI (LODR) Regulations, 2015 for transactions during FY 2020-21 with Tamilnadu Petroproducts Limited, Chennai, a Related Party.

The following items were transacted as special resolutions at the meeting:

8. Approval of appointment and remuneration of Mr. M Karthikeyan (DIN:08747186), as Whole-time Director (Operations).
9. Approval of reappointment of Mr. Muthukrishnan Ravi (DIN: 03605222), as Managing Director.

The shareholders who had registered to speak at the meeting were invited to share their queries. Out of the nine persons registered, three were present and participated in the discussions. The queries were clarified by the Chairman, Managing Director and other executives.

The meeting was declared as closed around 2:45 PM and the facility to vote was made available for a further five minutes.

M/s B Chandra & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizers for both remote e-voting and e-voting during the meeting. Their report is awaited and the results will be announced to the Stock Exchanges, uploaded on the Website of the Company and CDSL on receipt of the report.

This is for your information, please.

Thanking you

Yours faithfully

**For Manali Petrochemicals Limited**



R Kothandaraman  
**Company Secretary**

Encl.: As stated



***Text of the Chairman's speech at the 34<sup>th</sup> Annual General Meeting of the Company held on 16-09-2020 at 2:00 PM through Video Conferencing/Other Audio Visual Means***

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***Ladies and Gentlemen,***

I welcome you to the 34<sup>th</sup> Annual General Meeting of your Company. I hope you and your family are safe and healthy during the current crisis.

Though we are not able to interact in person, I am happy that the virtual meeting has provided opportunity for the Members spread across the globe to take part in today's AGM.

I hope you have had the opportunity to review the Annual Report and consider the operational and financial performance of your Company for the year 2019-20. With your permission, I shall consider the Financial Statements as read.

**ECONOMIC OVERVIEW AND PERFORMANCE OF THE COMPANY**

The World Bank had projected slowdown of global economy in 2019, but India was expected to beat the trend and expand by more than 7%. However contrary to this, the actual domestic GDP growth in Fiscal 2019-20 was 4.2%, with the last quarter of the fiscal recording just 3.1% growth.

The year under review witnessed a significant fall in the manufacturing and services activities, the trend for which was set in the last month of the preceding year itself. The situation improved from November 2019 and January 2020 recorded an 8-year high manufacturing PMI and 90 months' employment growth, signaling a better future. However, these were short lived as in the following months the pandemic overturned all such expectations.

The performance of the Company was more or less in line with the domestic economic situation. The first half of the year witnessed downturn

in sales and profitability, but from the third quarter improvements were seen, which continued till the imposition of lockdown towards the end of the year.

The reduction in sales during the year under review was not significant, but the product margins were impacted due to unabated imports despite steep fall in domestic demand. Since demand decline was across the globe, multinationals who could not find a home for their products in traditional markets, dumped the surplus in the Indian markets, affecting the prices.

During the year, the turnover of the subsidiary, Notedome Limited UK was lower than the preceding year's but the profits improved marginally compared to FY 2018-19.

### **IMPACT OF THE PANDEMIC**

The COVID-19 was described as a Health Emergency by the World Health Organization, (WHO) in end- January 2020, which was later declared as a global pandemic, in early March 2020. By this time most of the countries had been affected and various measures of lockdowns and restrictions were imposed. Businesses have been affected world-over and livelihood of many were impacted.

In India, as per the Finance Ministry's Monthly Economic Review for August 2020, the economic activities deteriorated sharply which resulted in a record decline of 38.1% in industrial production during April-June 2020. GDP decline at 23.9% was the most for any major economy across the world. Such a steep fall has been attributed to the stringent lockdown enforced across the country, helping to contain the virus induced fatality to 1.78%.

On account of the lockdown imposed by the Central and State Governments, MPL's Plant operations had to be totally shutdown in the last



week of March 2020, which recommenced in phases from the first week of April 2020.

Initially only Propylene Glycol production could commence, being an input for essential industries such as pharmaceutical and food. However, it took more than 50 days to restart manufacturing of all the major products.

While supplies of Propylene Glycol continued, sales of Polyols, the major contributor to the top and bottom-line of the Company could commence only towards the end of the first quarter. With most of the end use industries for Polyol and related products remaining closed or operating at very low levels, the off-take was extremely low.

For the first time in 16 years, your Company recorded a quarterly loss, which gives an idea of the impact of the pandemic on the operations.

## **ECONOMIC OUTLOOK**

The Organization for Economic Co-operation and Development (OECD) has projected a global growth of negative 6%, which could further weaken to 7.6% in case there is a second wave of the rapid contagion eruption later in 2020. It has also been reported that the global recession in 2020 could be deepest in eight decades, almost three times as steep as that of 2009. This is despite the unprecedented policy support by governments across the globe.

For India, the OECD has stated that the GDP in FY 2020-21 could contract by 3.7% if there would be no second wave, but could worsen to 7.3%, if there indeed were to be a second wave. The next year, FY 2021-22, is expected to see a growth of 5.4%.

However, the Reserve Bank of India, based on various statistical data has, in its Annual Report for 2019-20 observed that the upticks witnessed in May and June 2020 after easing of the lockdowns appear to have lost momentum

in July and August. So sustainability of the improvement is not certain and there could be further changes in the scenario as we go along.

### **PROSPECTS AND FUTURE PLANS**

Your Company remains a major player in the Indian PU market. Though at present the imports are a bit subdued, in normal market conditions it continues to face aggressive and continuous dumping of both Polyols and Propylene Glycol by multi nationals from their low-cost production centers.

The Finance Ministry in the Monthly Economic Review for August 2020 has stated that as a result of the recent developments, businesses have turned risk averse and therefore investments will be slow. The Report has also observed that while prices of non-discretionary items have gone-up, many discretionary items have seen very little or no transactions. Private consumption has fallen by over 22% and unless the earnings and sentiments improve, it may take a longer time for most of the sectors to return to normalcy.

For MPL, demand for pharma/food grade PG has not been affected, but revival of sales of polyol and other products to full scale could take more time, as the end use industries are yet to reach normal production levels. The situation is being watched closely and the required actions taken based on exigencies to protect the interest of all the stakeholders.

Our unstinted efforts to continuously enhance our customer centric approach towards product customization and to upgrade safety and environmental standards for the betterment of the community at large, would continue.

### **DIVIDEND**

The Board has recommended to maintain the dividend of seventy-five paise per share of Rs. 5/- each for the year 2019-20.

### **CSR Activities**

Your Company believes that in any society inclusive growth of all its segments is of paramount importance. The Company has undertaken various projects for provision of safe drinking water and sanitation facilities for the needy. So far, a total of Rs. 4.50 crore has been spent for these proposals, including Rs. 1.78 crore in 2019-20. Plans are also afoot to provide primary health care to the downtrodden.

### **ACKNOWLEDGEMENT**

I wish to place on record my sincere thanks to our vendors, esteemed customers, banks, the Tamilnadu Government and the Government of India for their continued support over the years. I warmly acknowledge the commitment and dedication of the employees of your Company in achieving the Company's goals. I would like to express my deep appreciation to you, the Shareholders, for your support to us at all times. I extend my unreserved appreciation for the guidance and support of my colleagues on the Board. Finally, on behalf of the Board, I wish to reaffirm our commitment for creating shared value with all our stakeholders.

Thank you, Ladies and Gentlemen

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*Note: This does not purport to be the proceedings of the Annual General Meeting*

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